

FBIS

DAILY REPORT

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INTER-AMERICAN NAVAL CONFERENCE TO CONVENE IN PERU

PA210225Y Madrid EFE in Spanish 0201 GMT 21 Aug 78 PA

[Text] Lima, 20 Aug (EFE)--Navy chiefs from 13 countries of the American continent and the Inter-American Defense Board will participate in the 9th Naval Conference which begins in Lima next Monday. The conference will include the highest naval authorities of Canada, Argentina, Brazil, the United States, Chile, Venezuela, Colombia, Uruguay, Paraguay, Guatemala, Mexico, Peru and Bolivia.

At the conference, the various representatives will jointly analyze scientific and technical matters of interest to the American navies. These include the pollution of the oceans, energy and oil, naval services and climatic information. The naval chiefs will also study matters related to the socioeconomic development of the continent's nations and other general subjects.

The naval chiefs will meet with Peruvian President Francisco Morales Bermudez on Monday at the government palace. The Inter-American Naval Conference is held every 2 years. The last conference was held in Rio de Janeiro in 1976.

Argentine Delegation Departs

PA210226Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 2239 GMT 20 Aug 78 PA

[Text] Buenos Aires, 20 Aug (NA)--Adm Emilio Eduardo Massera, commander in chief of the navy, and Vice Adm Armando Lambruschini, chief of the navy general staff, left for Lima today to participate in the annual conference of commanders in chief of the American navies. Both chiefs, who are accompanied by other high-ranking naval officers, left at 0800 from the military sector of the metropolitan airport. The delegation is expected to return next Thursday.

MEXICO, COSTA RICA CONCLUDE BILATERAL MEETINGS, SIGN AGREEMENTS

PA190131Y San Jose Radio Reloj in Spanish 1730 GMT 18 Aug 78 PA

[Text] Mexico and Costa Rica have just concluded a number of bilateral meetings. We have achieved more than we had originally expected, Costa Rican Foreign Minister Rafael Angel Calderon said at the ceremony which just concluded at the Mexican foreign relations secretariat and which followed this morning's meetings among high-ranking Mexican and Costa Rican Government officials.

According to a report received from Mexico City, Calderon Fournier expressed his satisfaction over the agreements which were reached and said that, in keeping with the goals set at the beginning of the talks, mutually beneficial agreements for both countries, particularly for Costa Rica, had been obtained in the areas of cultural assistance and scientific cooperation.

For his part, Mexican Foreign Secretary Santiago Roel said a few minutes ago at the closing ceremony that the peoples and governments of Costa Rica and Mexico are once again embracing each other through their similar ideals and goals. We are very pleased, the Mexican foreign secretary said, to open our doors to the sister government of Costa Rica and to move closer to it.

It was announced that, in accordance with a number of programs, scholarships will be granted to Costa Rican youths in several areas and that technical aid and advice will be specifically given for the exploration for oil in southern Limon. Officials of the Costa Rican oil refinery and of (?UNED and CONICIT) [expansions unknown], of the Economy Ministry, were present on this occasion.

FOREIGN MINISTRY CRITICAL OF CHILEAN COMMUNIQUE

PY191455Y Buenos Aires TELAM in Spanish 2308 GMT 18 Aug 78 PY

[Text] Buenos Aires, 18 Aug--The communique published last Wednesday by the Chilean Government and announced in advance by a Foreign Ministry spokesman of that country regarding the negotiations on borders in the far south has been assessed by authorized sources of the Foreign Ministry as incompatible both with the spirit which should reign during the developments of the negotiations agreed upon by Presidents Videla and Pinochet in the Puerto Montt Act and with the letter of that bilateral document.

The same San Martin Palace sources pointed out that the Chilean statement does not seem to be in agreement with the framework of harmony which the two governments agreed to establish for the normal development of the present negotiations.

The Chilean Government communique referred to by the Foreign Ministry spokesman reported the return of the Chilean delegation to Santiago which put an end to the fifth round of sessions of the negotiation commission and asserted that the decision was caused by the fact that the Argentine delegation had insisted on making proposals which were incompatible with the progress of the talks because they were irreconcilable with the 1881 treaty, with the full validity of the arbitration decision, and with Chilean sovereignty over all the islands of the southern archipelago.

The Argentine Foreign Ministry spokesman stressed tonight that the Chilean statement also did not agree with the text of the joint communique agreed upon by the chairmen of the negotiating commission No 2 at the end of the fifth round of sessions.

The authorized sources which were consulted said that the Argentine Government is now appraising the situation which has developed and its impact on the negotiation process.

BRIEFS

SUPREME COURT PRESIDENT--Horacio Heredia, president of the Supreme Court, died today at the age of 75. Heredia was born in Buenos Aires and studied law at the University of Buenos Aires. [Excerpt] [Buenos Aires Domestic Service in Spanish 1600 GMT 18 Aug 78 PY]

NEW UNDER SECRETARY--Buenos Aires, 17 Aug--The national executive branch today appointed Santiago Brarda as new technical under secretary of the Mining Secretariat. [Buenos Aires TELAM in Spanish 0110 GMT 18 Aug 78 PY]

NAVY MANEUVERS--Puerto Madryn, 17 Aug--Units of the Argentine fleet have already arrived in Golfo Nuevo, 1,500 kms south of the federal capital and about 700 kms from their base in Puerto Belgrano. Together with an unspecified number of other ships these units will carry out routine target practice in the area between Punta Loma and Punta Este on the gulf's outlet. The commander of Golfo Nuevo naval base issued a communique warning the population about this practice and reminding them of the prohibition to enter an area up to 10 kms inland between 0000 and 2400 on Saturday. [Text] [Buenos Aires TELAM in Spanish 2245 GMT 17 Aug 78 PY]

NEW APPOINTMENTS ANNOUNCED FOR TOP MILITARY POSTS

PY181355Y La Paz Radio Panamericana Network in Spanish 1130 GMT 18 Aug 78 PY

[Text] Official sources have reported that new military authorities will be sworn in on Monday by the president. Among them are a new commander in chief of the armed forces, a defense minister and a chief of staff of the armed forces.

The present defense minister, Gen Angel Hugo Salmon, will become commander in chief of the armed forces and Gen Antonio Rojas Montalvo will be chief of staff of the armed forces; he is now commander of the Colonel Eduardo Avaroa School for Advanced National Studies. Gen Walter Castro Avendano, Bolivian ambassador to Argentina, has been called home to become defense minister. He will arrive in this country today or tomorrow.

The swearing-in ceremony for the new military authorities will take place in the Banner Hall of the Miraflores General Headquarters and will be attended by the diplomatic corps, ministers and other officials.

It has been learned that the commanders of the armed forces branches, Gen David Padilla for the army, Jose Antonio Sempertegui for the air force, and Rear Adm Moises Vasquez, have been confirmed in their posts and enjoy the confidence of the government.

There has been no report on the future post of the present interim commander in chief, Gen Victor Gonzalez, but it is believed that he will be offered a diplomatic post.

It was also learned that no changes or promotions will be made in the armed forces aside from these appointments, and that the new appointments will complete the top military structure, since the main posts were vacant and occupied only on an interim basis. The appointments which have been made by President Pereda in his constitutional capacity as captain general of the armed forces will be announced today at the cabinet meeting.

OPPOSITION PARTIES DISCUSS DIALOG WITH GOVERNMENT

PY190214Y La Paz Radio Cruz del Sur Network in Spanish 2330 GMT 18 Aug 78 PY

[Text] The opposition parties met today to discuss the government's proposal to hold a dialog aimed at paving the way for democratization of the country. The representatives of opposition political fronts met today at the house of the leader of the Historic National Revolutionary Movement [MNR] and after carefully analyzing the political situation in the country reached the conclusion that they are willing to enter into dialog as long as the government is willing to set an exact date for new elections. This condition was submitted for consideration at the meeting by representatives of the Democratic and Popular Unity Front [FUDP], whose leader Hernan Siles Zuazo is currently abroad.

The leaders of the Democratic Alliance of National Revolution, the Revolutionary Front of the Left and the FUDP will meet again on Monday, according to a spokesman. They will then set a deadline for beginning dialog with the government.

There are some disagreements: On the one hand [words indistinct] and on the other, Paz Estenssoro's MNR believes that the election must be held during the first half of 1979.

The representatives of the opposition parties will hold talks at the grassroots level and will draw up a final proposal during the Monday meeting. This proposal will be released in a joint declaration which will be made available to domestic and international news media.

BRAZILIAN-U.S. BUSINESSMEN'S CONFERENCE ENDS

PY181853Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Aug 78 p 35 PY

[Text] In a communique issued at its last session yesterday, the third meeting of the Brazilian-U.S. Businessmen's Council said that the control of prices by the Interministerial Price Commission "should be only temporary and that it would be desirable to return to a free-market system through the orderly lifting of control measures."

A recommendation was also approved against "the growing intervention by various governmental agencies in decisionmaking affecting the private sector, stressing "the need to place more confidence in the rules inherent in a free market."

The joint communique explained that "regarding the transfer of technology, the council recognizes that its free flow is essential for both foreign and national enterprises operating in Brazil so the country can stay competitive in the international market. Only in this way will Brazil be able to offer products which can compete both in quality and cost."

The council also announced through the communique that a subcommittee will be created "for the purpose of investigating all areas and problems involved in the transfer of technology," and to do so "taking into account Brazil's export policy which emphasizes the sale of manufactured goods, as well as taking into account the needs inherent to the process of technological development."

The communique said: "the council is satisfied with the progress made in the Brazilian export program and with the growing volume of trade between the two countries. However, it expressed its concern about possible changes in that picture once the authority of the U.S. president to decide on levying countervailing tariffs ends on 7 January 1979." The joint communique explained that on this point in the debates, "Brazilian representatives expressed their view that the solution to the problem of countervailing tariffs between the United States and Brazil is dependent on the GATT negotiations."

The communique noted that "although the Brazilian and the U.S. sides agreed on the general principles worked out in the discussions--principles regarding Brazilian export subsidies, the U.S. protectionist stance and the gradual adjustment of Brazilian export subsidies to the damage clause should it be claimed by the United States--there is concern that the GATT agreement will not be ratified before the date on which the authority of the U.S. executive branch to apply to countervailing tariffs ends."

In other words, the communique sought to explain that the deadlock over Brazilian export subsidies and the U.S. protectionist stance may continue without a solution after the period (7 January 1979) granted by the U.S. President to negotiate such questions with other countries.

The communique then noted that "as a result of this situation and with the intension of not disturbing trade relations between the two countries, the council recommends that both parties undertake efforts to extend the duration of the waiver system until the final ratification by the U.S. Congress of the results of the multilateral negotiations."

The communique noted that "Brazil is managing its foreign indebtedness extremely well and it is therefore in the best position to continue attracting funds from the international financial market." Members of the group who discussed this topic mentioned that "there is an advantage to having foreign financing made up mostly of capital risk investments" rather than of loans from the main offices to subsidiaries.

Radio Commentary

PY190335Y Brasilia Domestic Service in Portuguese 2200 GMT 18 Aug 78 PY

[Station commentary]

[Text] Brazil has always respected ethical rules in its international relations. In the specific field of trade, we have tried to strongly implement these rules, primarily because we are interested in maintaining an unwavering position in relation to our trade partners so we can increasingly intensify our trade.

At the recent meeting of Brazilian and U.S. businessmen, which was held in an atmosphere of cordiality and frankness, we heard charges of alleged preferential treatment given to some Brazilian enterprises to the detriment of others, a fact which would suggest that Brazil is changing its policy regarding foreign capital.

In this regard, on receiving members of the Brazilian-U.S. Businessmen's Council on 15 August, the president of the republic said: Brazil has maintained its ideals as a country open to foreign capital, which is welcome to participate in investments in our country, and to work with us obviously within the framework of our laws. He added: In this regard, we maintain the same principles and laws which are in force in their countries of origin.

In an editorial published on 17 August, O ESTADO DE SAO PAULO noted that certain changes introduced in our policy have been misinterpreted. Many of the practices which are considered as discriminatory measures against foreign capital are applied equally to Brazilian enterprises, such as compulsory deposits, restrictions on the import of technology, bureaucratic requirements, and so forth.

There are, however, measures such as the requirement to register with the Fund for the Financing of Machinery and Equipment, which were included in our laws but which have not been enforced up to now. No one can state then that we have changed the rules of the game. We simply apply existing laws based on circumstances.

The meeting of businessmen from the two countries was significant precisely because it was an opportunity to dispel doubts and to remove charges considering the good faith and honesty with which countries such as Brazil and the United States conduct their business transactions.

President Geisel added that although they have many points of agreement and share many viewpoints, they naturally also have disagreements and sometimes difficulties in their relations. Everything indicates that the open discussion of these disagreements and difficulties by businessmen of the two countries has cleared the path, and if it did not overcome them, at least it markedly reduced the difficulties.

FINANCE MINISTER PREDICTS \$1-1.5 BILLION TRADE DEFICIT

PY190257Y Porto Alegre Radio Guaiba in Portuguese 0200 GMT 19 Aug 78 PY

[Text] Finance Minister Mario Henrique Simonsen has predicted that Brazil's trade deficit this year will be between \$1 billion and \$1.5 billion. According to Simonsen, exports this year will have zero growth equaling the value of last year's exports.

TOWNLEY'S WIFE SAYS HE WAS SACRIFICED BY REGIME

PY181531Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 17 Aug 78 p 13 PY

[By correspondent Aluizio Machado]

[Text] Santiago--Before leaving for Washington, Michael Townley's wife, Mariana Callejas, gave a written declaration to the magazine HOY expressing her views on statements by Gen Augusto Pinochet on the murder case of former Foreign Minister Orlando Letelier. She said that her husband "was turned over to the U.S. court by the Chilean Government through an illegal action."

Callejas' declaration stated: "President Pinochet said that the FBI presented to him a list of crimes for which Townley might have to serve some 120 years in prison and that was the reason the Chilean Government decided to turn him over. Of course, he did not say that Townley had committed all those crimes on orders from the Chilean secret police, and everybody knows that it was so."

After complaining for having been depicted to the public as "a loquacious liar," Townley's wife said that the Letelier case "is being handled like a football game in which nobody wants the ball--this is the wrong way to play it."

She then said in her declaration to HOY that "perhaps we need a Harry Truman who would stand up and say 'the book stops here' [given in English] and deal with the situation at the highest level. President Pinochet expelled from the country the pawn he thought was the most expendable: an agent of the Chilean intelligence service who had served him loyally and with dedication for more than 3 years."

Callejas continued: "But the snowball gathered momentum and bounced back to Santiago. Those indicted by the U.S. court were placed under preventive arrest and President Pinochet referred to the Supreme Court the decision to extradite the military officers involved. But in contrast, the Supreme Court could not prevent the illegal expulsion of the civilian Michael Townley."

"Although the official press tries to convince the public that Townley was a CIA agent, neither the judiciary branch nor anyone who was with him during his last night in Chile can forget that the alleged CIA agent fought until the end to stay in Chile and trusted the government and the court to respect the laws of the country where he had lived most of his life."

Callejas then asked: "Why don't they face the facts for once and assume the proper position of those who face the consequences after having committed an irreparable wrong? Where is the player who is determined to grasp the ball firmly? What do the press and official media stand to gain by continuing to smear the name of a man who went out on a limb for the government, for what he believed was just and best for the country?"

In concluding her declaration the wife of the U.S. citizen expelled from Chile said: "I am not asking anybody to believe me, because the truth will be known anyway. All that has happened so far is not pleasant for me but I face the facts and do not shove off my responsibility on someone else. Nor did Townley try to shirk his. He only said the truth as he knew it. I could have left the country long ago, but this is my country, the best in the world for me and I will do all I can for Chile. Perhaps when this storm blows away the air will be cleaner, the sky clearer and the sun brighter."

EL MERCURIO: ARGENTINE STAND ON BEAGLE CHANNEL MUST CHANGE

PY191450Y Paris AFP in Spanish 0314 GMT 19 Aug 78 PY

[Excerpt] Santiago, 19 Aug--If Argentina does not radically change its position regarding border negotiations with Chile there are no possibilities of reaching an agreement between the two countries, EL MERCURIO stated today. The morning newspaper states that Chile will not accept the Argentine government proposal of revoking the British arbitration award which the two countries agreed to respect. Is it not time to accept the decision as determined in the general treaty on the legal solution for controversies dated 5 April 1972, in force between Chile and Argentina, EL MERCURIO asked in its Saturday issue.

ONE PERSON HURT BY BOMB BLAST IN SANTIAGO BUILDING

PY191709Y Buenos Aires TELAM in Spanish 1515 GMT 19 Aug 78 PY

[Text] Santiago, Chile, 19 Aug--At 2100 last night there was a strong explosion in a downtown Santiago building at 812 Huerfanos Street, apparently on the fifth floor. The bomb was reportedly quite powerful. According to witnesses, an employee of the building was hurt. Carabineros came to the place, but there was no official report on the incident.

MIR CELL BROKEN; ARMS, DOCUMENTS SEIZED

PY191747Y Santiago Chile Radio Minería Network in Spanish 1030 GMT 19 Aug 78 PY

[Text] Santiago--Six members of an extremist cell of the proscribed Movement of the Revolutionary Left [MIR] who were detained by the security service have been placed at the disposal of the military court, it was officially reported. The group was detained after an armed clash during which a member of the security service was wounded. Two other members of the group are at large, but they will probably be arrested in the next few hours, stated an official source.

The same source identified those detained, including (Alfonso Ugalde Villafana), 62, head of the cell, in whose home, located in Violeta Parra neighborhood in Pudahuel, were found arms, ammunition, explosives and several documents and pamphlets of the proscribed MIR. The other members are: (Heriberto Manuel ?Mera ?Vacía), 25, married, construction worker; (Jaime Sepulvedas Murillo), 25, single, an engineering student at the technical university; (Carlos Angel Silva Villegas), 40, married, construction worker; (Angel Antonio Sanbueza Garrido), 20, single, high-school student; and (Fernando Enrique Vacía Silva), 31, baker. All of them reside in Pudahuel.

The official report also indicated that the detainees are also the perpetrators of the attack and robbery of the taxi-bus of the Plaza (?Egana)-Lourdes route on 27 July 1978; of a bomb placed in a subway station; and of a bombing at the Cerrillo Credit and Investments Bank.

The official spokesman also stated that the group was planning to attack the La Girafa supermarket in the Independencia district in order to gather food to be distributed among the unemployed and people living in low-income areas. A crime scheduled for next week was aimed at recruiting followers for the MIR cause and at collecting funds to continue with their plans, according to the spokesman. Also planned were attacks on five firearms (?shops), a business firm, and [words indistinct] in the next few days. This was learned from the literature seized, among which are pamphlets on individual combat tactics, circulars on information reports and others related with [words indistinct]. Among the documents, there was a list of national and international news media, addresses, phone numbers and names of directors of [words indistinct].

WAGE DEMANDS PRESENTED AT MORE COPPER MINES

PY181444Y Paris AFP in Spanish 0243 GMT 18 Aug 78 PY

[Excerpt] Santiago, Chile, 17 Aug--It was learned here today that a labor conflict which flared up in the Chuquicamata copper mines has now extended to other large Chilean copper mines.

While the 10,000 workers at Chuquicamata, 1,560 km north of Santiago, maintain the boycott on meals which they began 2 weeks ago, the El Salvador and El Teniente miners also submitted petitions for an improvement in their incomes.

The pressure regarding meals began in the northern mine when the workers refused to enter the camp's dining rooms, demanding increases of up to 50 percent in their current salaries.

A meeting which they intended to hold today has been suspended and the labor leaders traveled to Santiago; where tomorrow they will meet with Mines and Labor and Social Security Ministers [Luis Enrique Valenzuela Blanquier and Vasco Costa Ramirez] in order to seek a solution.

Union leaders of El Salvador mine, 80 km north of here, also wish to submit their concerns to the military government.

Approximately 10,000 workers at El Teniente, 150 km southeast of Santiago, demanded an increase in their production bonuses.

It has been indicated that while these negotiations are going ahead, work in the mines continues to be normal.

Strikes and stoppages in Chile were suspended 5 years ago when the armed forces deposed socialist President Salvador Allende.

VICARIATE, CHURCH WILL SPONSOR HUMAN RIGHTS MEETING

PY162357Y Paris AFP in Spanish 1705 GMT 16 Aug 78 PY

[Excerpt] Santiago, Chile, 16 Aug--According to reports released today, Christian personalities from Europe and America will meet here to study the current world human rights situation.

This international meeting, called by the Chilean Catholic Church, will be held in November 1978 as part of a program marking the 30th anniversary of the Universal Declaration of Human Rights.

The Santiago, Chile archbishopric and the Vicariate of Solidarity are organizing the meeting, which will be attended by representatives of Christian churches from the FRG, Brazil, Canada, the United States, the Netherlands, Switzerland and other countries.

The organizers report that the following persons will also attend: Francois Marty, Cardinal-archbishop of Paris; representatives of the World Council of Churches, and the personal secretary of UN Secretary General Kurt Waldheim.

GOVERNMENT MINISTER ZEA HERNANDEZ COMMENTS ON STATE OF SIEGE

PA190216Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 18 Aug 78 PA

[Station interview with Government Minister German Zea Hernandez--live; place not given]

[Excerpt] [Question] When will the government lift the state of siege?

[Answer] We have been studying the country's situation at the cabinet meeting and I am sure that as soon as the possibility of lifting the state of siege arises, it will be lifted. It does not really depend on the government's will but on circumstances in the country. I believe that the country is calm at present. There are sporadic outbreaks of violence in certain areas but in general the country is calm. I feel that if this climate prevails there will be no problem in lifting the state of siege.

[Question] How would you describe the state of siege at the present time?

[Answer] As you all know, the state of siege has not been used in Colombia, and especially by the last few administrations, as a means of issuing norms of a general nature that do not directly relate to the disruption of public order. The state of siege, and this is the confusion that exists especially abroad when Colombia's state of siege is mentioned [minister changes sentence]... Supposedly what we have here is what could be called martial law, censorship, suspension of constitutional guarantees and so forth. However, we live in a country where, despite the state of siege, there is absolute and complete freedom of the press, as you have been able to experience because it is your job. We live in a country where no citizen can complain that his individual rights have been restrained.

The state of siege has been implemented because, naturally, as everybody knows, there are unexpected, delicate situations in Colombia. We currently live in a world afflicted by terrorism and a wave of crime. Consequently, the state of siege was established as a capable and efficient tool to curb the wave of crime and the gangsterism existing in the country. When we talk about the fact that a national plan to restore security in Colombia is under study, it precisely means that we are studying measures that will be presented to Congress in due time or that will be implemented through executive decrees, if the Constitution allows it, so that we do not have to resort to Article (?111) [not further identified].

PRESIDENT TURBAY APPOINTS NEW DEPARTMENTAL GOVERNORS

PA190046Y Bogota Domestic Service in Spanish 1723 GMT 18 Aug 78 PA

[Government decree No 1785 of 1978, issued on 18 August 1978--read by Government Minister German Zea Hernandez: live]

[Text] The president of the Republic of Colombia, is using his constitutional powers, decrees:

Article 1: The following departmental governors are appointed:

Antiochia	Rodrigo (Irino) Echeverria
Atlantico	Pedro Martinileyes
Bolivar	Elvira Facio de Espinosa
Boyaca	Sergio Perico Cardenas
Caldas	Guillermo Ocampo
Cauca	Gilberto (Cris)
Cesar	Jose Guillermo Castro
Cordoba	Alfonso de la Espriella
Coinca	Miguel Santamaria Davila
Choco	Luis Colombia de Gonzalez

Huila
La Guajira
Magdalena
Meta
Narino
Norte de Santander
Quindio
Risaralda
Santander
Sucre
Tolima
Valle

Hernando Suarez Fliegue
Rafael (Iguaran) Mendoza
Humberto (Sin) Erazo
Hernando Ruiz Castro
Ricardo (Cadieres)
Jorge Villamizar
Mario Gomez
Fabio Vasquez Botero
Alfonso Gomez Gomez
Miguel Navas
Miguel Merino Gordillo
Jaime Arrizabaleta Calderon

Article 2: The present decree becomes effective on the date that it is issued.

[Signed] Juilio Cesar Turbay, president of the Republic of Colombia; German Zea, minister of government

Appointments Criticized

PA201930Y Bogota Cadena Radial Super in Spanish 1730 GMT 20 Aug 78 PA

[Text] Bogota--The Turbay Ayala administration today faced the first adverse reaction to the appointment of ministers and governors. Two columnists, one from EL TIEMPO and another from EL SIGLO, questioned the president's claim that he will govern with the most honest and capable persons.

Daniel Samper Pisano of EL TIEMPO doubts that the president is keeping his promise. The columnist charges that Agriculture Minister German Bula Hoyos agreed to be a legal adviser of the National Association of Rice Millers in 1965 and at the same time he submitted to Congress a bill abolishing the rice quota established by a 1963 law.

EL SIGLO communist Alfonso (Henzen) said that improper actions have been proved against one of the governors appointed on Friday. The columnist does not name the governor.

M-19 GUERRILLAS OCCUPY UPI OFFICES

PA182343Y Paris AFP in Spanish 2259 GMT 18 Aug 78 PA

[Excerpt] Bogota, 18 Aug (AFP)--A command of the M-19, a Colombian guerrilla organization, today occupied the headquarters of U.S. UNITED PRESS INTERNATIONAL (UPI) News Agency to denounce that a rebel recently arrested here had been tortured.

UPI assistant director Hector Menoni and editor C. Fullea were held at gunpoint by two men and a woman, who had their faces covered. They demanded that the information on guerrilla Carlos Reyes Nino, who is about to die from alleged tortures inflicted on him by secret agents, be transmitted. Before escaping, the guerrillas painted "death to the torturers" in large red letters on the walls of the UPI offices.

The M-19 action caused quite a stir on the 5th floor where the UPI has its offices. Several government officials went to the UPI offices to find out what had happened.

Almost simultaneously, another cell of the M-19 carried out a similar action at the offices of the weekly publication VEA, it was learned not long ago.

TWO FACTIONS VIE FOR CONTROL OF RADICAL LIBERAL PARTY

PY191958Y Asuncion ABC COLOR in Spanish 18 Aug 78 p 74 PY

[Text] The Executive Board of the Radical Liberal Party [PLR] has been restructured by a movement of the "geniolitos" group which, in the name of most members of the Executive Board, has named German Acosta Caballero as new PLR president replacing Justo Pastor Benitez.

This initiative was conceived a few days ago when the PLR's conduct committee headed by Benitez decided to lift the sanctions against the group of "geniolitos" for alleged rebellion.

As the sanctions were lifted, the group of "geniolitos" reportedly received the support of other former supporters of Benitez, such as Acosta Caballero, Aurelio Ramon Insfran and Rodolfo Serafini, who adhered to the movement.

They went to the PLR headquarters but, as logically expected, the doors were closed because Benitez knew they were coming. They drew up a record signed by a notary public and sent a telegram to the PLR leader, and as he refused to allow them to enter the PLR headquarters, they held a meeting at the house of Costa Caballero, who was named president of the Executive Board.

Aniano Denis Estigarribia and Carlos Baranda were named vice presidents and Ram Lezcano Torres secretary general, Dr Luis Jara secretary, and Emilio Forestieri treasurer.

The new directors of the Executive Board have reportedly told the Central Electoral Board about the reorganization and the dismissal of Benitez for "his rebellion against the court of conduct." They ordered the suspension of radio broadcasts and of the publication of the weekly EL RADICAL. Benitez would later be warned to relinquish the PLR headquarters.

In view of the current situation, the PLR Executive Board headed by Benitez issued a communique stating that the "PLR Executive Board will never be used to destroy the party's institutionality, much less favor the ignominious ambitions of persons who are morally and politically corrupt."

Concerning reports released in this regard, the communique also says "it is very suggestive that this occurs just when responsible sectors of the PLR are seeking the unity of the party, precisely to face with possible success the arbitrariness of the government and the immorality of some party members, well-known collaborators of the autocratic regime."

It further states that "the Radical Liberal people know who their true leaders are and they are completely unattached to official influence or any extrapartisan pressure."

It later adds that "the party leadership will never lend itself to become the puppet of interests which are foreign to the dignity of the Paraguayan people" and that "the laws and ethical values are with us."

The "pro-Benitez" board concludes by summoning its members to party headquarters to state their concern for unity.

The document is signed by Augusto Caceres Carisimo, Justo Pastor Benitez and Emilio Vallejos Chenu.

PRIME MINISTER CITES STAGES OF POWER TRANSFER

PY190349Y Lima Domestic Service in Spanish 0300 GMT 19 Aug 78 PY

[Text] Peruvian Prime Minister Oscar Molina Palochia today reasserted the decision of the revolutionary government to carry out the timetable of power transference to a government elected by the majority within the framework of absolute freedom and democracy.

Molina Palochia made this statement at the ceremony to commemorate the 157th anniversary of the first Peruvian Army unit. The minister indicated that the timetable for power transference has three perfectly differentiated stages.

The first of these stages, marked by the announcement that power will be transferred and the installation of the Constituent Assembly, has already been fulfilled.

The second stage will cover the operation of the Constituent Assembly, and the third stage will begin with the promulgation of the new constitution and will conclude with the transference of power into the hands of those who will be appointed to receive it by popular vote.

The prime minister emphasized that the army is absolutely sure that the Constituent Assembly will fulfill its historic mission of providing the country with a constitution which will take into account the desires of large national sectors and guide our nation toward the attainment of a supreme destiny capable of allowing the Peruvian people to realize themselves within the framework of democracy, freedom and social justice which all Peruvians desire.

MEDIA EXPRESS CONCERN OVER SLOWNESS OF ASSEMBLY

PA181853Y Paris AFP in Spanish 1704 GMT 18 Aug 78 PA

[Text] Lima, 18 Aug (AFP)--The local communications media today expressed concern at the slowness with which the Peruvian Constituent Assembly is approving its internal regulations. The Assembly, whose President Victor Raul Haya de la Torre asked that debates be speeded up so as to start the drafting of the new constitution, approved 30 of the 51 articles of the regulation in 29 hours.

There was some displeasure voiced by newspapers, radios and television when the Assembly took 10 hours to approve one article due to a verbal clash between leftist and ultraleftist leaders and Aprist leaders.

The communications media deplored not only these conflictive encounters, which they deem out of place, but also the presentation of several motions, especially by the radical minority, on various subjects related to the present economic, social and labor situation. Luis Bedoya, head of the Popular Christian Party, the second largest, said it is deplorable that valuable time is being lost in debates over personal issues. He added that the risk exists that the Assembly will become a sounding board for nonpriority matters.

On his part, Aprist legislator Alfonso Ramos Alva declared that the Marxist left is confusing the Constituent Assembly with an ordinary parliament, while his party colleague, Carlos Enrique Melgar, asked that such severe judgment not be passed on incidents explainable by the fact that the country is emerging from 10 years of silence.

In the meantime, Constituent Assemblyman Luis Delgado of the Communist Party believes that the Assembly is not foreign to the country's problems and is obliged to not only draft the constitution but to speak up on important national issues. Roger Caceres, leader of the Peasant, Students and Workers Popular Front, said the delay was caused by the Assembly itself, which is postponing the debate of some of the first articles of the regulations.

The Assembly was installed last 28 July and has held three plenary sessions in the presence of numerous observers, among whom the son of the president of the republic is often found.

GOVERNMENT DECREES PRIVATE, PUBLIC PAY RAISE

PA181954Y Paris AFP in Spanish 1842 GMT 18 Aug 78 PA

[Text] Lima, 18 Aug (AFP)--The Peruvian Government decreed a pay raise for workers of the public and private sectors which will become effective on 1 September, according to a law published here today.

The raise for private industry workers will total 1,512 soles a month (\$9) while state workers will receive an increase of between 10 and 37.5 percent.

Economy Minister Javier Silva explained that the latter measure is intended to favor those workers who earn less and that the whole thing is intended to recover the income level lost on account of inflation.

Economy Minister Comments

PA182356Y Paris AFP in Spanish 2231 GMT 17 Aug 78 PA

[Excerpt] Lima, 17 Aug (AFP)--Economy and Finance Minister Javier Silva Ruete said today that the recent economic measures were adopted "autonomously" by the Peruvian Government and not imposed by the International Monetary Fund (IMF). Silva Ruete also said that these measures are part of a program submitted to IMF in order to obtain a "restructuring" of the loan contract being negotiated.

Meanwhile, Manuel Moreyra, president of the Central Reserve Bank, said that the government "does not have an official answer" as yet to the IMF's proposals.

Silva Ruete also announced a general wage increase beginning next month to improve the purchasing power of workers. The economic measures, he said, will permit this year's fiscal deficit, expected to be 100 billion soles (\$625 million), to be reduced to 65 billion soles. This reduction will be obtained even though the pay increase to public employees represent a major output of 30 billion soles, Silva Ruete said.

On the other hand, he denied that a "package" of new economic measures is going to be implemented. He said that these measures will be issued one at a time. Among the new measures, he mentioned a bill to promote exports. He also assured that the austerity program concerning public expenditures does not mean a massive dismissal of public employees, but a reasonable use of human resources.

He denied figures mentioned here regarding those dismissals (between 30,000 and 100,000 workers). Regarding the wage increase, he said that it will amount to 1,500 soles (\$9) monthly for private sector employees and will be a 10 to 37.5 percent increase for public employees.

Silva Ruete also asked the mine workers to lift the strike now in its [figure indistinct] day. It is affecting a very important sector of the country's economy. He explained that it is not only reducing the country's income from abroad but is also preventing the importation of foodstuffs and medicines needed by the poorer sectors, who are consequently affected by this abuse of the right to strike, Silva Ruete pointed out.

Austerity Plan Reviewed

PA200424Y Lima EL COMERCIO in Spanish 15 Aug 78 p 2 PA

[Editorial: "Budget Reorganization and Special Benefits"]

[Text] The recent measures enacted by the revolutionary government to decrease government personnel must be analyzed in their true context so that there will be no doubt that all its consequences have been foreseen in order to keep the social cost at a minimum.

In spite of the great demands for austerity and reduction in government expenses which the present crisis situation imposes on the country and contrary to the radical personnel reduction measures with which other countries have dealt with similar demands, the dispositions which are the subject of this commentary establish mechanisms for the government workers who are dismissed to join the nongovernmental production sector after receiving indemnization and unemployment subsidies.

At a time when the state is obliged by circumstances to act drastically in order to implement its austerity program, the humanistic fashion in which the government has dealt with the crisis is quite positive. In fact, maximum efforts are being made so that the sacrifices will affect everyone, doing so on terms which will not endanger the provision of the minimum vital necessities of the people while at the same time creating incentives for an effective "transfer" of personnel from the public to the private sector for a better and more rational use of their abilities.

The laws which have been issued to establish regulations for the "transfer" process include rational steps to conduct an evaluation ranging from the indispensable needs of the personnel of every organization to the decisive support which the state can give so that the dismissed workers will continue to receive, through special incentives, an income that will permit them to cover their personal and family expenses, for example, through their participation in productive enterprises.

One specific case: According to the law, the workers who are dismissed will receive a monthly subsidy for a period of 8 months equivalent to the last fixed wage which they had been receiving. Something else: They can receive cash loans under the most favorable terms to form enterprises or to participate in existing ones.

Therefore, we believe that the government workers' quota of sacrifice is occurring under special conditions and with the least possible social cost in spite of the magnitude of the economic problem and the hard solutions posed by the present situation. It is undoubtedly a sacrifice shared by all. The formulas which are public knowledge should, if correctly implemented without abuses or whimsical concessions, relocate the excess bureaucracy in other productive functions and increase the productivity of the government sector, making it truly efficient and simple.

Article 20 of Decree Law No 22264 authorizes every supervisor to propose to the head of the corresponding sector the number of jobs which will be eliminated. It is hoped that this problem will be dealt with conscientiously, morally and responsibly at this and other decision-making levels.

EL TIEMPO REAPPEARS SCORING MILITARY GOVERNMENT

PA170356Y Madrid EFE in Spanish 0026 GMT 17 Aug 78 PA

[Excerpts] Lima, 17 Aug (EFE)--EL TIEMPO, a conservative weekly publication, closed since 25 May 1978 by the military government, reappeared today, Wednesday. EL TIEMPO director Alfonso Baella states in an editorial that the one "responsible for this attempt against the freedom of expression was the Peruvian revolutionary government." Baella, arrested on 24 May, was expelled to Argentina on 25 May together with two retired admirals and several leftist leaders.

In the editorial Baella denies the charge of having participated in "subversive and violent" activities. After assuring that he is nonpolitical and independent, Baella adds that he was expelled from the country because of what he wrote about "squandering in purchasing homes for the military aides in Washington." "EL TIEMPO also criticized the inefficient financial policy" of Javier Silva, economy and finance minister, the editorial points out. Finally, Baella says in his editorial that "he reiterates" everything he has said.

POLICE, STRIKING MINEWORKERS CLASH IN LIMA

PA181557Y Madrid EFE in Spanish 0343 GMT 18 Aug 78 PA

[Excerpts] Lima, 17 Aug (EFE)--The police took repressive action today in Lima against the mineworkers who, together with their families, have traveled as far as 300 km in a protest march to the capital.

Some of the marchers suffered bruises during the clash with the police but no one was seriously injured. They have joined other groups which had preceded them and the total number of marchers is now approximately 10,000. The purpose of these marches is to call attention to the labor problems of the mining sector, which is Peru's main productive force.

Leaders of the National Miners and Metallurgy Workers Federation met this afternoon with the labor minister in a bid to harmonize the positions of both sides. The government has offered to create enterprises to accommodate the dismissed workers and to guarantee that their production will be purchased. This proposal has been rejected by the strikers on the grounds that they are seeking "to dignify" the workers rather than to obtain economic benefits. The government has accused the mineworkers of politicizing the strike. This has been denied by their leaders, who claim that their strike is trade unionist and class conscious in nature and that no political group is involved in it.

For its part, the U.S.-owned Southern Peru Copper Corporation, which exploits the copper deposits in southern Peru, has offered to pay a salary of \$180 a month for 8 months to 17 dismissed workers. This offer has also been rejected.

Minister Appeals to Workers

PA191810Y Paris AFP in Spanish 2038 GMT 18 Aug 78 PA

[By Jacques Kaufmann]

[Text] Lima, 18 Aug (AFP)--It was reported here today that Peruvian Interior Minister Gen Fernando Velit has asked Peruvian workers to help restore calm and peace on the country, which has been in upheaval for the past several weeks because of a number of social conflicts.

The interior minister's appeal was published in Lima newspapers today following incidents on Thursday in which thousands of striking miners occupied the downtown area of the city to emphasize their demands.

The impressive demonstration took place in San Martin Plaza as dozens of uniformed anti-riot police kept a discreet vigilance but at no time intervened to disperse or direct the march of the demonstrators, who chanted slogans against the military government.

The striking miners, who stopped work on 4 August, thereby bringing production at copper, zinc, iron and lead mines to a halt, gathered in the plaza with their wives and children. The demonstrators chanted, "we are the miners of Peru," and also the phrase published this week by UNIDAD, the newspaper of the Peruvian Communist Party: "there are gold, silver and people dying of hunger."

According to observers, the very discreet presence of the police was indicative of the government's desire to avoid any direct confrontation with the 40,000 strikers, who continue to send delegations to Lima to support their demands. Among other things, the miners want the reinstatement of several hundred of their comrades who were dismissed following the strike of July 1977 and the revocation of two decrees which they consider to be anti-proletarian.

The interior minister noted today that his ministry has no intention of adopting "repressive measures" against the strikers, as was demonstrated by the fact that they had been allowed to stage peaceful demonstrations without incident.

Several thousand miners and metallurgical workers have been camped on the campus of the school of medicine in Lima since early this week, and their number continues to grow. Moreover, according to reports from labor union sources, some 1,000 workers arrived in the capital on Thursday from the lead and zinc mines of Raure, located some 300 km from Lima.

GOVERNMENT LIFTS STATE OF EMERGENCY IN HOSPITALS

PA180359Y Madrid EFE in Spanish 0245 GMT 18 Aug 78 PA

[Text] Lima, 17 Aug (EFE)--The military government today, Thursday, lifted the state of emergency decreed 8 days ago for 187 hospitals and 9 regions of the state's health system. The decision was adopted after settlement of the strike that affected 30,000 health workers.

The state of emergency also included the services of the National Health and Social Welfare Fund, health institutions, the School of Public Health and other state entities. The strikers accepted the \$25 monthly increase offered by the government, \$11 of which will be received in August and the rest in December.

BRIEFS

SIDERPERU GENERAL MANAGER--(Jorge Cardenas Castro) has been named general manager of the Peruvian State Iron and Steel Enterprise [SIDERPERU]. He was promoted from the post of operations manager by the board of directors. [Lima Domestic Service in Spanish 0300 GMT 10 Aug 78 PY]

COMMUNICATIONS SYSTEM ENLARGED--The National Telecommunications Enterprise of Peru, ENTELPERU, has signed an agreement with the Japanese enterprise, MISUI corporation limited, Tokyo, for the establishment of a radio communications system from Iquitos, Sara, Pozo and Pucallpa with Lima, and Cerro Pasco with Pucallpa. [Lima Domestic Service in Spanish 1200 GMT 18 Aug 78 PY]

SPANISH SOCIALIST LEADER DISCUSSES MEETING WITH PRESIDENT PEREZ

PA181743Y Madrid EFE in Spanish 2352 GMT 17 Aug 78 PA

[By Carlos Prieto Conde]

[Text] Caracas, 17 Aug (EFE)--The current situation in Spain and Venezuela and the development of exchanges between these two countries were the two major topics discussed during a meeting held today at Miraflores Palace between Felipe Gonzalez, secretary general of the Spanish Socialist Workers Party (PSOE), and Venezuelan President Carlos Andres Perez.

This correspondent was informed of this by Gonzalez himself shortly before he returned to Madrid after paying a 6-hour visit to Caracas at the Venezuelan president's special invitation. Gonzalez arrived from Santo Domingo, where he attended the new Dominican president's inauguration.

According to Felipe Gonzalez, president Perez discussed with him the upcoming official visit to Venezuela of Spanish Prime Minister Adolfo Suarez, scheduled for early September, and expressed interest in the state of relations between the PSOE and the government.

"I have told him that in principle, our relations with the government are very good," Gonzalez affirmed, "even though, logically, since we are an opposition party, these relations are antagonistic." Even though there is a certain degree of antagonism," he added, "there is absolutely no enmity." Regarding this, he noted that "we have followed an important and interesting process of negotiation and dialog."

After admitting that Spain's major concern is economic, Gonzalez expressed his confidence that this year will end with a controlled inflation rate of 17 percent so that in 1979 it can be reduced to 11 percent and, above all, finally be eliminated--which is the "fundamental objective."

According to PSOE estimates, in order to curb inflation, the public sector of the economy would have to become more dynamic and the gross exterior product would have to increase by 4 percent in 1979.

Regarding the Spanish electoral scene, Felipe Gonzalez said that only the municipal elections have been scheduled. They will be held within 90 days after the constitutional referendum scheduled for October is held.

Nonetheless, he noted that only the PSOE and the Basque Nationalist Party consider it necessary to hold general elections. Other parties, such as the official Union of the Democratic Center, have adopted ambiguous positions. For its part, the Communist Party has voiced its opposition to holding those elections, despite the fact that during its electoral campaign it advocated elections.

Further on, the PSOE secretary general explained that he travels to this hemisphere frequently in order "to link Spain with the entire Latin American area, particularly with Central America and the Caribbean countries, which perhaps require the greatest attention at this point because they are countries having a democratic popular basis or democratic aspirations."

In concluding, he stressed that within this framework, he had discussed with President Perez the nature of his talks with Panamanian Chief of Government Gen Omar Torrijos. He added that the Venezuelan president shared many of his views regarding "the interest and optimism" over the new democratic panorama now emerging in the Dominican Republic under Antonio Guzman's presidency.

INVESTIGATION OF U.S. EMBASSY'S ACTIVITIES REQUESTED

PA172048Y Madrid EFE in Spanish 1824 GMT 17 Aug 78 PA

[Text] Mexico City, 17 Aug (EFE)--It was announced today that a Mexican political party, after denouncing a "suspicious" shifting of embassy personnel, has asked Congress to conduct an official investigation of the U.S. Embassy's activities. The leftist, progovernment Popular Socialist Party (PPS) made the request after a joint [U.S.-Mexican] petition was filed at Congress asking that over 200 Mexicans be allowed to work in the U.S. Embassy offices here. The PPS denunciation of the "suspicious" shift of personnel was immediately rejected by the Congress' permanent commission due to lack of evidence, but the party then demanded that the embassy's work be investigated and warned that its denunciation will be presented again during the Congress' next ordinary sessions, which begin in September.

The PPS accusation came on the wake of another organization's recent warning against "the danger" posed by the fact that large numbers of foreign citizens work for the U.S. Embassy. According to this view, the persons employed by the U.S. Embassy and consulates constitute "easy prey" for the U.S. intelligence services. Explaining its opposition to Mexicans' working for the embassy, the PPS said the embassy is the CIA's principal center of operations in Latin America.

JAPANESE GOVERNMENT OFFICIALS OFFER TECHNICAL, ECONOMIC AID

PA191751Y Mexico City International Service in Spanish 0300 GMT 19 Aug 78 PA

[Text] Japanese Vice Minister of Foreign Affairs (Oshiro Haino) said yesterday on arriving in Mexico City that his country is prepared to grant the credits which Mexico may require for oil exploitation. He also offered technical assistance and technology to exploit oil. He said that both offers could become effective when exploitation studies are completed in the areas of the oilfields.

The Japanese visitor made the statements during an interview at the Mexico City International Airport after he arrived from Japan. He said that the purpose of his visit is to meet with Mexican Foreign Secretary Santiago Roel. The principal subject of the talks will be to define Japanese economic policy toward Mexico and its aid programs to other Latin American countries.

After being presented the sash of the Aztec eagle by Foreign Secretary Santiago Roel in the name of Mexican President Jose Lopez-Portillo, the president of the Japanese Diet, (Senko Suzuki), said the Mexican president's visit to Japan in October will not only mean closer friendly relations between the two countries but will represent a historic event for Japan. He also referred to a bilateral legislative conference and reaffirmed Japan's interest in continuing exchanges of technology and investments.

Deputy (Suzuki), who donated the oceanographic ship (Onzuko) to Mexico, said that the purpose of his visit is to bring about a Mexican-Japanese parliamentary confederation agreed upon by 100 legislators of that country on 13 June of this year in Tokyo. In the presence of Foreign Secretary Roel and Mexican Ambassador Xavier Olea Munoz, (Suzuki), who has been agriculture, [word indistinct] and fishing minister of his country, in addition to holding other posts, said that the meeting with the leaders of the Mexican Senate and Chamber of Deputies, Joaquin Gamboa Pascual and Rodolfo Gonzalez Guevara respectively, is meant to realize that confederation in order to maintain a continuous dialog on important subjects of interest to both countries. He said that he believes the confederation will create closer bonds of friendship, dissipate doubts about identity and reconcile interests of an economic nature.

TORRIJOS HOLDS PRESS CONFERENCE IN SANTO DOMINGO

PA191517Y Panama City Televisora Nacional in Spanish 0350 GMT 19 Aug 78 PA

[Press conference by Panamanian Chief of Government Gen Omar Torrijos at Santo Domingo Airport prior to departure for Panama on 18 August 1978--recorded]

[Text] [Question by unidentified newsman] General Torrijos, there is great suspense in the Dominican Republic at this time because the first group of Dominican political exiles arrived this morning aboard your presidential plane. Many of them are most grateful to your government because your government gave them everything they needed for 7 years. I am referring to a group of Dominicans who are supporters of Gen Elias Wessin y Wessin, who face no impediment in entering Dominican Republic. However, also in that group, without being included on the list of passengers aboard your presidential plane, was the guerrilla Hamlet (Herman), a well-known Dominican leftist who has been residing in Panama for the past 5 months. What do you have to say to the Dominican people?

[Answer] I became aware of this situation this afternoon. It really annoyed me because it was an act of deep discourtesy to use a plane which we have chartered for a special flight to return some exiles to the Dominican Republic who have not yet received permission to return. It is discourteous because it contrasts with the attitude of profound sincerity and courtesy with which this government has treated me. The error and the abuses of a subordinate have subjected me to this embarrassing or annoying situation.

I take advantage of this opportunity to apologize to the government of the Dominican Republic for this incident, which should never have occurred, because those men should first have been approved, checked or granted a visa by the respective authorities of the Dominican Embassy in Panama.

[Question] How, then, will you punish those persons who were involved in this? There was mention of your Chief of Security Col Antonio Noriega having been involved.

[Answer] We are going to investigate. This act of discourtesy cannot be rewarded.

[Question] How have you been treated in the Dominican Republic?

[Answer] I am very pleased by the treatment I have received from the government and the expressions of affection and firm support that the Dominican people have given to our cause. I did not really realize that this country was fully aware of the course of the negotiations struggle that Panama began 10 years ago.

[Question] With the solution, to a certain extent, of the Panama Canal problem, will your government undertake in the next few months important social changes that have somewhat been neglected?

[Answer] This is not absolutely true. Please do not tell me about generalized truisms. They have not been neglected. We have given shape to an economic country together with the negotiations struggle. In our country at present there is no young person, no Panamanian, no schoolboy or schoolgirl who cannot go to school for lack of teachers or classrooms. Now we will have other missions. We face the great challenge of beginning the planned and organized administration and exploitation of the economic advantages of the canal. We face the great challenge of exploiting one of the richest copper mines in the world. By 1983 that mine will be placing in the market approximately 200,000 tons of copper.

We also have the great challenge of providing the country with electricity because, if there is no electricity, there is no development.

[Question] What about a mutual aid agreement between the Panamanian and Dominican Governments?

[Answer] We have been coordinating. We can offer some aid in many areas and the Dominican Republic can help us in many other areas. Actually, I must confess that we always maintained relations but they were formal, not in-depth relations. With this new government, I would like to initiate relations that will be not only formal but will have much more depth.

[Question] General, Arnulfo Arias, a Panamanian leader who has participated prominently in your country's political life, lasted only 11 days in power when he was overthrown by the Panamanian Armed Forces. We would like you to tell us the significance of his presence in Panama at this time and his political future in Panama.

[Answer] First of all, we did not oust anyone; they fell on their own. Second, this man, who is approaching 80 years of age and is attacking without basis, is a man who is truly a prominent figure in our country's politics, but his social calendar remained static on the date of his birth, which was in the last century.

[Question] What is your government's program for this year? [question from another newman] Could you continue talking about Arnulfo Arias?

[Answer] The man is making a tour of the country. In some places he is received with enthusiasm, in others he is not. He is the most significant political opposition force that we have, but the government is sufficiently consolidated (?with votes or with boots) to (?face) any opposition movement.

[Question] Does this mean that Panama is going through a phase of political and democratic strengthening by permitting these exiles [words indistinct], who you say ousted themselves? Do you think this is strengthening you now?

[Answer] Yes, at this time there is not a single Panamanian exile. There is not a single political prisoner in Panama. There is no measure of force to interrupt the peaceful and democratic coexistence of our people. There is a very solid democracy. There is a country that is very united in its ideals and very determined to face the challenge of the future.

[Question] What has most impressed you during your visit to the Dominican Republic?

[Answer] What has most impressed me is that something is happening here which was previously unknown, which was unknown. What has most impressed me is the identification which exists between the people and the government, and I have been most impressed by the fact that it is a country with a political cadre that is very young, very determined and very proud of its victory, with a high sense of responsibility--knowledge that victory entails responsibilities.

I believe that President Guzman's victory not only represents the replacement of one president with another but, rather, initiates a new political era in the history of this country.

[Question] Does that individual political freedom of the Panamanian citizen mean that you might prepare the country to develop the democratic and representative system?

[Answer] There are democracies and there are democracies. There are different types of democracy. A democracy is a government of the people and I believe that the people are the ones who are ruling in the country.

[Question] [Words indistinct] who call you a dictator?

[Answer] [Words indistinct] if there is truly a dictatorship [words indistinct] the people, who have so much affection for me, let me walk freely through the streets.

PANAMA, ALBANIA ESTABLISH DIPLOMATIC RELATIONS

PA202239Y Panama City LA ESTRELLA DE PANAMA in Spanish 20 Aug 78 p 1 PA

[Text] The governments of Panama and the People's Socialist [as published] Republic of Albania have established diplomatic relations, according to a statement released to the press yesterday, which we herewith publish:

The Government of the People's Socialist Republic of Albania and the Government of the Republic of Panama, based on the mutual desire to develop the relations between the two countries, have agreed to establish diplomatic relations and to exchange diplomatic representatives with the rank of ambassadors.

PANAMANIAN MISSION LEAVES FOR EASTERN EUROPE

PA190221Y Panama City LA ESTRELLA DE PANAMA in Spanish 18 Aug 78 pp 1, 32 PA

[Press bulletin issued by the "Operations Center" in Panama City on 17 August 1978]

[Text] A national government mission leaves today, Friday, for Europe on a tour of socialist nations, which will last from 18 August to 18 September, to increase financial, commercial, scientific, technical and educational relations.

The mission, which is presided over by Pedro Brin Martinez--the Foreign Ministry's regional director for Eastern Europe, the Soviet Union and Mongolia--will visit the USSR, the German Democratic Republic, Bulgaria, Czechoslovakia, Romania and Hungary.

The mission is also composed of Carlos Perez Herrera, member of the national legislation commission; Humberto Jaen Castillo, Panamanian charge d'affairs in the GDR; Rogelio Miro, representative of private enterprise from the Chamber of Commerce and Industry; Antonio Yepes de Leon, member of the Colon Free Zone Board of Directors; James Cain, representative of the Colon Free Zone; Walter Davis, representative of the Agriculture and Livestock Marketing Institute; Pedro Mora R., representative of the National Financial Corporation (COFINA); Fernando Nunez Fabrega, economic adviser of the Planning and Economic Policy Ministry; Ricardo Paredes, director general of foreign trade of the Commerce and Industry Ministry; Antonio Chin Checa, development director of the Institute of Hydraulic Resources and Electrification (IHRE); Arnaldo Chibaro, of the Union of Banana Exporting Countries (UPEB); Haralambos Tzanetatos, for private industry; Jeronimo Averza, director of medicines and supplies of the Social Security Institute and representative of the Health Ministry; Bruce Motta, representative of the Panamanian Industrialists Union; Leovigildo Gutierrez, representative of the Panamanian Industrialists Union; Rodrigo Barragan, chief of the National Institute of Aqueducts and Sewers (IDAAN); and Leonardo Kam, director of international relations of the Education Ministry.

The objective of the mission is related to the national government's expressed intention of expanding and developing our economic, financial, scientific-technical and education relations with European socialist nations and initiating a direct relationship between representatives of the public and private sectors with those nations.

The Panamanian official mission will discuss, among others, subjects such as the sale of bananas through the multinational banana marketing organization (COMUNBANA) and the possibilities of short-medium- or long-term exports of products such as sugar, citrus fruit, tropical fruit, sardines, coffee, cacao, beef, shrimp, fishmeal and so forth.

It will also discuss the possibility of importing products and equipment from socialist nations and scientific-technical and financial cooperation for projects currently underway.

There is also interest in obtaining advice in the pharmaceutical field and industry and cooperation in the banking, financial, insurance and reinsurance fields, especially considering the interest which some banking and insurance entities of the European socialist countries may have in the international centers existing in Panama.

Also to be discussed will be the possibility and interest of socialist countries in establishing their own or joint enterprises in the Colon Free Zone for processing, assembling and distributing products in the Latin American area.

TORRIJOS ASSESSES GUZMAN VICTORY IN DOMINICAN REPUBLIC

PA191428Y Panama City Televisora Nacional in Spanish 0429 GMT 19 Aug 78 PA

[Speech by Panamanian Chief of Government Gen Omar Torrijos in Santiago de los Caballeros, Dominican Republic--site and date not specified]

[Text] I want to take advantage of this occasion, in one of the country's most politically active places, to make certain observations about the [words indistinct] and how a foreign leader sees the process by which you brought Guzman to the presidency. [applause] There are quite a few parallels between the Panamanian victory and your party's victory because both are products of having made our causes national religions and then obtaining the necessary international solidarity for the triumphs to be respected. This parallelism exists because we in Panama made the canal cause--the cause of recovering 1,442 square km which had been taken by force--a national religion and then secured the international solidarity which in this decade, in this time, is an instrument of strong pressure.

I see that what is being celebrated here is not [words indistinct]. You are not celebrating the ascent of a president but, rather, it appears that you are celebrating the beginning of a new epoch. [applause]

In all my trips throughout the world for the sake of our cause, few times have I met so dedicated a people, a people so proud of having gone to the polls and so proud of the results of those elections. [applause] I sincerely feel that certain fears the people had here that their votes would not be counted were not justified, because there is no armed forces in the world, no collegiate force in the world, there is nobody who would dare disavow the results of a mountain of votes such as you gave your president. [applause]

I say this with the authority of someone who has been living in a garrison since the age of 17. There is much more respect in the garrisons for the people's will than most people think.

I have lived in a garrison since I was 17 years old, and I feel very proud of being a general. I do not renounce this position, and I am also very proud to be one of the generals who realized 10 years ago that our quota of coups had been exhausted. [cheers] In saying this to you [applause], I think I am expressing the feelings of all the continent's military leaders. I think this because I am in continuous communication with them and because we know that there is no force, no projectile, no rifle butt, no push, no bayonet capable of mowing down a people's mystique. [cheers, applause]

But it is also true that, while this exists as a consensus of the continental military leadership, it should also exist as a consensus of the political leadership of the continent whom the military respect but from whom it also requires respect. And these two conditions exist here. For this reason, I predict that this new era, this beginning of a new political style, will be consolidated with the will of the people and the will of the armed forces, who have a profound respect for the will of this people. [applause]

I truthfully congratulate you. In this continent you have conducted a political contest which has had one of the strongest impacts in the civic consciousness of Latin America. [applause] It has had such a repercussion precisely because the image of the Dominican Republic was marred as a result of the governments which you had in past decades. In every Dominican exists the consciousness of a man with profound love for democracy. [applause]

I leave with great pride because actually I have toured many kilometers, kilometers of love, and because I really did not know that this country knew so much about the Panamanian cause, although I did know that this people adopted a very militant stand in regard to the cause of liberating our territory. [applause]

Now, as a good "Santiaguero" [person from Santiago] who gets involved in what he should not, I am going to give you some advice. You have a great president. [applause] You have [words indistinct] supporting your president and the will of the people. [applause] But do not expect miracles of the president. We government leaders know that there are problems, and we also have programs, but do not expect miracles; otherwise, instead of being in the presidency, he should be in the virginal bosoms of the gods. Do not expect miracles. Much has to be done in all these underdeveloped countries, but here the great advantage exists that when there is a solid unity, an intimate union of love and fatherland, the leaders and the led being one team. [applause]

Lastly, I want to tell you of something I have also seen. This is the city in which I have seen the most beautiful women per square meter. [applause]

COSTA RICA

CORDERO COMMENTS ON ATTEMPTS TO 'CREATE UNREST'

PA200405Y San Jose LA NACION in Spanish 15 Aug 78 p 4-A PA

[Excerpt] Minister of the Presidency Jose Rafael Cordero Crocero stated yesterday that politicians and a group of former military men from the past two administrations are trying to create an artificial state of unrest in Costa Rica.

Cordero stated: "A group of citizens who call themselves former military men who saw service in the past 8 years--and that includes persons for whom I have high esteem--has recently insisted on presenting me as the Torquemada of the present government."

This group has organized a campaign to obtain the payment of their pensions as soon as possible and has accused the Carazo administration of not quickly meeting their demands. They had planned to carry out a public rally yesterday but most of them were paid that morning.

Cordero said: Those former military men "know me very well. They know that I would not persecute anyone for his political, religious or other beliefs. I think that they are only the tools of displaced politicians who, after enjoying the unbridled use of power for 25 years--and not only the 8 years that they have been my good friends--are now trying to create a situation of artificial unrest."

The minister recalled that the government, through him, has asked the Supreme Court of Justice to investigate charges of alleged irregularities in the administration of public funds by officials from past regimes and the present administration.

Cordero stated: "We will not yield in this regard and no threat from any group will make us change our decision. For this reason I have indicated that behind this group of citizens who call themselves former military men--although we all know that there are no military men in Costa Rica--there are persons who are trying to exert pressure to have the already-mentioned investigations suspended." Minister Cordero also stated: "This does not represent political persecution. This is nothing but the enforcement of the political morality that the Costa Rican people are demanding. So, those officials who acted honestly in past administrations and are doing so in the present one can be completely at ease."

GUATEMALAN VICE PRESIDENT ARRIVES FOR DISCUSSIONS

PA172058Y Panama City ACAN in Spanish 1758 GMT 17 Aug 78 PA

[Text] San Jose, 17 Aug (ACAN-EFE)--Guatemalan Vice President Francisco Villagran Kramer arrived in San Jose this morning for a meeting with Costa Rican President Rodrigo Carazo Odio. The meeting, scheduled to last several hours, began today at 1000 (1600 GMT).

Villagran, who is well versed on the process of economic integration of the area and a promoter of it, has already held meetings with his Costa Rican counterpart, Jose Miguel Alfaro, who is also a promoter of the Central American common market, in order to find means of reactivating it.

It was indicated at the presidency that Carazo and Villagran will discuss today, Thursday, topics related to the Central American monetary council and other matters related to the economic integration process. The Costa Rican Government has indicated that it is necessary to normalize common market operations in order to insure that Costa Rica remains a part of it and not have to find other means to foster its economic development.

Vice President Comments

PA172346Y Paris AFP in Spanish 2037 GMT 17 Aug 78 PA

[Text] San Jose, 17 Aug (AFP)--At the end of a meeting with Costa Rican President Rodrigo Carazo, Guatemalan Vice President Francisco Villagran Kramer announced, in a statement broadcast over radio and television, that Guatemala and Panama reestablished diplomatic relations today. Villagran arrived this morning for a visit of a few hours to this country.

Villagran said: "We have reestablished relations with Panama. I visited General Torrijos and exchange of all kinds has been reestablished between the two countries. All that remains is for us to appoint ambassadors, which will be done in the days to come."

Villagran said that he and Carazo had discussed the reorganization of the Central American common market and the need for a greater rapprochement between the two countries. A possible meeting of presidents in Guatemala was ruled out because President Carazo has not agreed to leave the country.

Villagran said that terrorism in his country is declining and that the new government wishes to halt the wave of terrorism.

He said that the situation of Belize will be resolved soon, within the framework of respect for Guatemalan patriotism and for the self-determination of Belize. Villagran will return to his country tonight.

HONDURAS

ADVISORY COUNCIL'S ABOLITION CRITICIZED, JUSTIFIED

PA191305Y Panama City ACAN in Spanish 2302 GMT 18 Aug 78 PA

[By Armando Cerrato]

[Text] Tegucigalpa, 18 Aug (ACAN-EFE)--The military government junta's decision to abolish the advisory council of the chief of state was today interpreted by Honduran sectors as "closing the doors to dialog." The council was created by former chief of state Juan Alberto Melgar on 9 March 1976 to draft a new election law and issue resolutions on problems submitted for its consideration.

The decree abolishing it was made public Thursday evening but was made effective as of that same afternoon, when police invaded the council's offices in what used to be the National Congress Palace during constitutional governments. The police were harsh with advisers and employees who were present and performing activities entrusted to them. They searched handbags, bags and clothing to make certain that no one was carrying away anything belonging to the advisory council. A janitor had several oranges confiscated because it was believed that they were taken from the council's mess hall. The equipment, supplies and records of the advisory council have now been turned over to the Government and Justice Ministry.

Col Cesar Elvir Sierra, president of the advisory council, said that he was advised of the council's abolition on Thursday morning and that the news had surprised him but that, as the disciplined soldier he is, he accepted the order and asked only that the council's employees be paid for the whole month of August. He said that he is now at the disposition of the high command and a member of the commission negotiating peace with El Salvador. Elvir Sierra declined to comment further concerning the abolition of the council because he is on active military service. Previously, he had been chief of the army general staff and one of the most distinguished members and even a strategist of the rise to power of the generation of lieutenant colonels who now control the Superior Council of the Armed Forces.

Nahun Valladares, representative of the publicity media and secretary of the advisory council, complained of the police procedure and described the abolition of the council as a military mistake because "a political mattress" was abolished. Nahun said that the advisory council was the shock absorber. The popular organizations brought their conflicts with the state here before they turned into problems. Solutions were worked out here and when the problems reached the state, solutions had already been proposed." Nahun said that the president of the advisory council "had been promised by the junta that it would continue functioning. That was only 48 hours after the junta assumed power and now I am perplexed over its abolition."

Carlos Arita Valdivieso, representative of the university community, said that the abolition of the advisory council "is a military maneuver to drown the people's demand. It is the ending of the dialog with popular sectors and a schism between the people and the army."

The government justified the closing with the necessity to deal with priority demands in health and education. The advisory council had a special budget appropriation and had caused friction in sectors which criticized it since its creation because it was considered useless. It fulfilled its purpose of writing an election law open to all Hondurans and submitted recommendations which, in general, were never followed by the executive branch which created it.

PAZ GARCIA SAYS CONSTITUTIONAL PROCESS WILL BE CONCLUDED

PA201814Y Tegucigalpa TIEMPO in Spanish 12 Aug 78 P 3 PA

[Text] Gen Policarpo Paz Garcia, president of the ruling military junta, yesterday gave assurances that the constitutionalization process begun by the armed forces will be concluded. He made that statement during the inauguration of a capital city highway yesterday morning.

General Paz also noted that the armed forces government will keep its word on concluding all projects underway for the benefit of the national community.

When it was General Paz Garcia's turn to speak he said that the dedication of the highway, the first public ceremony of the military junta which he heads, pleased him very much.

"Since the armed forces took over the delicate functions of the Honduran Government, special emphasis has been placed on national infrastructure projects with the conviction that they are the basis for the country's accelerated economic development, the social integration of our communities, and smooth and profitable productive activities," he said.

He added that the government has earmarked the highest budget allocations for public investment for this sector every year.

"All these projects are part of a vast program by the military government. They would not have been possible without the support that the Honduran people have always given us and without the climate of broad public liberties, social tranquillity and respect for the fundamental rights of Hondurans which the ruling military junta is determined to maintain and guarantee in order to fulfill the mandate entrusted by the Superior Council of the Armed Forces," he remarked.

He went on: "Destiny has placed in the hands of the ruling military junta the honorable mission of continuing to promote progress and our people's welfare. Our only interest is that we live in harmony and peace and that we face all problems posed by underdevelopment strongly united, with a high degree of civic responsibility and with firm faith in democracy and freedom."

General Paz Garcia emphasized: "Along these same lines it should be restated on this solemn occasion that the Honduran Armed Forces are determined to guarantee strict observance of the law and the country's constitutionalization process which has already begun and will be happily concluded within the established deadline."

"The military government will continue its interest in those programs intended to achieve social justice for the benefit of the forlorn majorities of the countryside and inner city. We will continue our efforts to insure, stimulate and strengthen the country's productive activities."

TEXACO WORKERS RELEASED FROM MILITARY CUSTODY

PA182219Y Panama City ACAN in Spanish 1500 GMT 18 Aug 78 PA

[Text] Tegucigalpa, 18 Aug (ACAN-EFE)--Workers of the Texaco refinery which operates in Northern Honduras were released from military custody today, Friday, by the military government junta which assumed power on 7 August.

On 9 August 1977, barely 24 hours after the start of an indefinite strike in demand of wage increases and social benefits, the workers were placed in custody of the army and a special military command was created at the Texaco refinery.

The union [words indistinct] decided to strike after all legal negotiation processes were exhausted. After the military takeover the case entered arbitration and the decision favored the members of the enterprise by 70 percent. [sentence as received]

The order which released the workers from military control points out that the reasons for which the military command was created have ceased to exist at the refinery and that, consequently, the militarization and other orders are no longer in force.

FOREIGN MINISTER PALMA GALVEZ APPOINTS NEW NEGOTIATOR

PA181523Y Buenos Aires LATIN in Spanish 0258 GMT 18 Aug 78 PA

[Text] Tegucigalpa, 17 Aug (LATIN)--Honduran Foreign Minister Roberto Palma Galvez has appointed Pedro Pineda Madrid as chief of the negotiating commission for the conflict between Honduras and El Salvador, replacing Cesar Batres. Palma Galvez pointed out that the appointment was suggested to the governing military junta and a decree is expected to be issued shortly on the matter. Pineda Madrid was previously president of the territorial studies commission. The foreign minister added that Pineda Madrid will be replaced by Salomon Jimenez Castro, who up until yesterday was president of the Supreme Court.

NICARAGUA

CONSERVATIVE SCORES SOMOZA'S ELECTIONEERING

PA191603Y Panama City ACAN in Spanish 2032 GMT 18 Aug 78 PA

[Excerpt] Managua, 18 Aug (ACAN-EFE)--Nicaraguan President Anastasio Somoza and the Nationalist Liberal Party (PLN) are committing a flagrant violation of the constitution of the republic by calling for a political campaign with the deliberate intention of remaining in power. The foregoing statement was made today, Friday, by opposition leader Adolfo Calero Portocarrero, in commenting on Somoza's latest speech to an assembly of Somozist leaders in Managua Department.

Calero Portocarrero, a Conservative and coordinator of the Democratic Liberation Union, said that the Nicaraguan Constitution clearly establishes that electoral campaigning is to take place six months before the elections. "Somoza has launched an electoral campaign two years ahead of time, a fact that will logically cause great expense and disruption to the economy of a people who in daily plebiscites are shouting that they want nothing to do with Somoza," the opposition leader said in a statement to the press.

Meanwhile, the national and legal board of directors of the PLN published in progovernment information media the summons to a large-scale convention for the election and replacement of party leaders on 1 April 1979. The convention is traditionally held in Leon, in the western part of the country.

GOVERNMENT STOPS PAYMENTS TO STRIKING HEALTH WORKERS

PA171754Y Panama City ACAN in Spanish 0235 GMT 17 Aug 78 PA

[Text] Managua, 16 Aug (ACAN-EFE)--Nicaraguan health authorities have decided to stop payments to personnel who are not on their jobs and who continue supporting the strike called by the Federation of Health Workers (FETSALUD).

In an official communique issued today, Wednesday, the National Board of Assistance and Social Welfare [Junta Nacional de Asistencia y Prevision Social] the Nicaraguan Social Security Institute [Instituto Nicaraguense de Seguridad Social] and the Managua Local Social Assistance Board [Junta Local de Asistencia Social de Managua] state that "one cannot continue subsidizing an illegal strike which compromises the health of Nicaraguans."

FETSALUD leaders and those who are negotiating the health workers' demands consider the measure to be "one more instrument of pressure which guarantees the presence of military patrols in the country's hospitals in order to sway us from our just position, something which will not happen."

With the hospital strike in its 25th day there is fear that the strikers may be evicted from their job sites by army units. Meanwhile, construction workers have begun their 2d day of striking in solidarity with the hospital workers, who have also received moral support in the form of pronouncements from student, political and business associations.

The pro-government newspaper NOVEDADES describes the hospital workers strike as "inhumane," adding in today's issue that "they are among the most privileged workers since they receive regular annual increases. Yet they are using the health of the Nicaraguan people as a hostage in their negotiations."

The FETSALUD leaders, maintaining their demand for a 55-percent wage increase and continuing to reject management's offer of 16 percent, announced that they will hold another meeting today to seek a solution to the crisis.

Somoza Comments on Strike

PA191548Y Panama City ACAN in Spanish 1938 GMT 18 Aug 78 PA

[Excerpts] Managua, 18 Aug (ACAN-EFE)--President Gen Anastasio Somoza Debayle has said that the hospital strike in Nicaragua has "political overtones." The strike, which has lasted almost a month, is affecting 18 hospitals maintained by the National Board of Assistance and Social Welfare.

President Somoza mentioned the hospital conflict at a meeting with representatives of the Nationalist Liberal Party [PLN] (in power) of Matagalpa Department. He said that the strike has taken on political overtones. He added that "the government is being victimized by the political attitude of forces which oppose the regime, which are trying to capitalize on it and extend the problem to the detriment of the people's health."

Somoza emphasized that no labor-employer agreement has included 100- or even 50-percent wage increases, much less the present case where the workers have obtained 400-percent wage increases over the last several years, along with corresponding social benefits. Both sides are still willing to negotiate, appealing to each other to stop the intransigence and to be prudent in dealing with the problems of the Nicaraguan people's health.

NEWS MEDIA OWNERS PROTEST GOVERNMENT 'ABUSES'

PA182250Y Managua Radio Corporacion in Spanish 1720 GMT 18 Aug 78 PA

[SERCANO Network]

[Text] The owners of electronic mass information media suspended news programs today to ask the government to cease persecuting newsmen. The most important stations decided to transmit over a network a program called "The Lack of Constitutionality of the Code Regulating Electronic Communications," which emphasized the abuses committed in closing radio stations for up to 60 days for [broadcasting] professionally written news. In the past 5 months the government has closed three stations for different lengths of time. The last to suffer from the act of repression entailed by interpretation of the code by the military is Radio Fabuloso Occidente. Newsmen affiliated with the Union of Nicaraguan Newsmen, the largest journalists union, are at this time holding an assembly to protest the government's repression of the information media.

Commission Formed

PA191715Y Panama City ACAN in Spanish 0157 GMT 19 Aug 78 PA

[Text] Managua, 18 Aug (ACAN-EFE)--An assembly of newsmen from Managua and cities of the interior today decided to form a commission in defense of freedom of expression. A meeting held at the Central American University (UCA) was also attended by representatives of directors of radio news media and owners of radio stations, as well as representatives of technical personnel who work in radio stations. Attendance by the newsmen and other guests was made possible because the main radio news media went on strike to protest difficulties they have been facing in carrying out their broadcasting tasks.

Before the seven-member commission was formed, the participants stressed the closing of two local stations by the Nicaraguan Radio and Television Office and the fine imposed on a radio newscast last Saturday. The stations which have been closed are Radio Mi Preferida and Radio Fabuloso Siete. On Sunday Radio Mi Preferida will have fulfilled its sentence of two months off the air. The other station was closed on Saturday for two months. It allegedly violated regulations on broadcasting "false reports," as established by the radio and television code, which newsmen call the black code.

During the assembly it was also decided to fight against the pressures that radio broadcasters and owners of news media received from what were described as "private consortiums." It was stated that the news media are not only pressured by government sectors but also by business sectors which belong "to big Nicaraguan capital" through some publicity agencies.

In view of the charges which were made public at the newsmen's assembly it was decided that the commission in defense of freedom of the press will deal with the defense of newsmen and radio broadcasters threatened by consortiums and by the "pressures" of the publicity agencies. The assembly also decided to form a "political commission" of newsmen which will have specific tasks in serving as liaison between the newsmen's organizations and the opposition political parties. One of the main tasks of the two commissions established today will be to struggle against the radio and television code.

BOMB THROWN AT MONIMBO MILITARY POST; NO CASUALTIES

PA201948Y Panama City ACAN in Spanish 1558 GMT 20 Aug 78 PA

[Text] Managua, 20 Aug (ACAN-EFE)--A moderate-strength contact bomb was thrown last night at one of the Nicaraguan army garrisons in the city of Masaya, east of Managua. Reports today indicate that there were no casualties or property damage but that the incident caused the mobilization of troops stationed in Masaya. The incident occurred in the recently installed garrison in the heart of the Indian neighborhood of Monimbo, which has been the site of regular clashes between civilians and soldiers. The National Guard has been forced to order the installation of new posts in Masaya because of the frequent actions of popular resistance in the community.

After the contact bomb was thrown against the Monimbo military post the military chief of the zone ordered barricades placed around four blocks surrounding the post, limiting the movement of persons and vehicles. The incident also resulted in more intense patrolling of the city. No raids have been reported, although there have been some arrests. During the past 48 hours explosions of bombs in Managua and other cities have taken a toll of at least five persons seriously injured, including two military men, one of them an army officer.

NATIONAL GUARD DISPERSES STUDENT MEETINGS

PA191821Y Havana International Service in Spanish 0000 GMT 19 Aug 78 PA

[Text] The Nicaraguan National Guard has violently dispersed student meetings at Cristobal Colon and Andres Bello High Schools, both located in Managua. Four students were injured and 20 arrested. The students were discussing the Somoza dictatorship's economic policy. Nicaraguan high schools have been occupied since July in an effort by the regime to silence student protests.

More than 50 bombs exploded last night in various sectors of the capital. Meanwhile, the Sandinist National Liberation Front (FSLN) continues its propaganda campaign, asking the people to continue protesting the new taxes which have increased prices of over 360 articles, many of them prime necessities. Some 5,000 construction workers have joined the hospital workers strike, and students from most Managuan high schools have decided to call another stoppage to protest against the new wave of repression unleashed by the Somoza regime.

INTELLIGENCE SERVICE AGENT KILLED IN MATAGALPA

PA200221Y San Jose Radio Reloj in Spanish 0100 GMT 20 Aug 78 PA

[Text] Managua--A former member of the Sandinist National Liberation Front [FSLN], who became part of the Nicaraguan intelligence service, was murdered last night in Matagalpa, a city 126 km north of Managua. The dead agent, 35-year-old Ricardo (Osesco), was shot three times by masked persons who have not been identified. The dead man was the leader of the now defunct revolutionary organization called the Nicaraguan Patriotic Youth. After the dissolution of the youth organization he became a member of the FSLN and then the leader of a labor union.

UN REPRESENTATIVE CALLS FOR REMOVAL OF U.S. BASES

FL182241Y Havana Domestic Service in Spanish 2130 GMT 18 Aug 78 FL

[Text] United Nations--Today in the special decolonization committee, Cuba called for the dismantling of North American military bases in Guantanamo, Puerto Rico and other territories under colonial occupation. Cuban representative Miguel Alvarez stated that the Guantanamo Naval Base in southern Cuba is occupied against the will of the people while the military bases in Puerto Rico hamper the Puerto Rican right to self-determination and independence. He stated that the United States also maintains military bases in Bermuda, the Virgin Islands and the Turks and Caicos Islands to assure their colonial domination in the Caribbean and Western Atlantic. And in the Pacific Ocean they are working out plans to break up the Micronesian territory. Specifically, he denounced the North American government's attempts to turn the Mariana Islands, which are an integral part of Micronesia, into a forward military post from where the Asian continent can be hit.

The Cuban delegate also mentioned the island of Guam in the Pacific, on which the most important U.S. strategic air command base is located. According to UN documents, 34 percent of Guam's available territory is occupied by North American military installations. Alvarez called on the special committee to continue its efforts to achieve the prompt elimination of all foreign military bases from the aforementioned territory, so that their people can exercise their right of self-determination and independence.

Later, in referring to Southern Africa, he stated that in the face of the intensification of the liberation struggle the racist regimes of Rhodesia and South Africa are increasing their military budgets to unprecedented levels and are reinforcing their military forces. He accused the Western powers of providing economic and military support to the racist regimes in the southern cone of Africa in violation of Security Council and General Assembly resolutions.

'ECONOMIC MIRACLE' IN BRAZIL LABELED ILLUSION

FL181335Y Havana Domestic Service in Spanish 1045 GMT 18 Aug 78 FL

[Revolutionary Armed Forces and Interior Ministry Combatants Political Information Program commentary]

[Text] Brazil, the country which the Yankee imperialists and their lackeys have presented as the scenario of an economic miracle amid pompous propaganda, clearly reveals the current tragic panorama being endured by the cariocan people. In the country, foreign capital invades and controls the economy. Some 500 foreign corporations are taking out up to three billion dollars per year, and there are some monopolies that report an annual return equal to the total initial capital invested in Brazilian economic spheres.

The country's deprivation of capital continues to grow. The miracle translates into poverty and despair for the great masses of a country where education, health, social security and other state obligations are lacking attention and are being assigned ridiculous budgets when compared those for military purposes. While tens of thousands of Brazilian children search for food in garbage cans and beg for charity with their bodies invaded by worms, a small group of oligarchs and foreign monopolies loot and appropriate the nation's wealth.

Suffice it to point out that the country's automobile and pharmaceutical industries are totally controlled by foreign consortia. Foreign capital controls more than 70 percent of the textile industry, 78 percent of the production of electrical equipment and computers and 61 percent of the petroleum byproduct exports.

The Brazilian regime is conducting an open door policy for foreign investors. There is no control of transnational activities and these foreign corporations continue to deprive the country of capital. It should be added that by year's end Brazil will have a foreign debt amounting to 40 billion dollars and in order to pay interest and amortization to foreign firms it will have to use 70 percent of its export revenues.

That is the economic miracle about which the imperialists have been bragging. Large profits are taken out of the country by North American and FRG companies as well as other developed capitalist countries, while the Brazilian people suffer from malnutrition, illiteracy, unsanitary conditions and premature death. The calamities are such that even some regime officials have publicly admitted the economic and social crisis reigning in the country. Broad sectors in Brazil acknowledge that the miracle has been mainly characterized by an accelerated, growing and inhumane process of income concentration in favor of the wealthy class and monopolies exploiting that vast territory.

It has been revealed that technocrats at the service of the military regime have carried out one of the most brutal processes of private accumulation of wealth on the continent and are determined to maintain Brazil as the preferred country of the transnationals in exchange for privileges from those corporations. Even in the war college of higher education, where the principal theories on the Brazilian example were initiated, discussions are going on about the abyss separating oligarchs and the poor masses in the distribution of income.

In Brazil the only industrial branch that is experiencing real development is the military. Gen Theophilo Gaspar de Oliveira, chief of general staff of the armed forces, has stated that in a not too distant future the war industry will supply the government's needs. Among his plans is the installation of nuclear power plants, as stipulated by an agreement signed with the FRG which has provoked the concern of many countries on the continent, including the Brazilian people themselves.

While the Cariocan masses live and endure the prevailing economic and social crisis without hope for an official solution in the foreseeable future, the exodus of national wealth continues, destined for the pockets of foreign investors without any action on the part of the regime to check the Brazilian deprivation of capital.

FIDEL CASTRO RATIFIED AS DELEGATE TO CTC CONGRESS

FL181020Y Havana Domestic Service in Spanish 1000 GMT 18 Aug 78 FL

[Text] Commander in Chief Fidel Castro, first secretary of the PCC Central Committee has been ratified as delegate to the 14th Congress of the Central Organization of Cuban Workers [CTC] by Camaguey Province's construction workers, during an assembly meeting in which the 13 representatives to the congress from that province's trade union were selected. The participants in the event also agreed to fulfill the proposed goal of workers who will register for adult education in September as part of the drive for a sixth-grade education.

HONDURAN ECONOMY UNDER SECRETARY MEETS VICE MINISTER

FL191617Y Havana Domestic Service in Spanish 1600 GMT 19 Aug 78 FL

[Text] Miguel C. Bendeck, under secretary of economy of the Republic of Honduras, who heads the Honduran delegation that has been in Cuba since 16 August, has been received by Vice Minister of Foreign Trade Ricardo Cabrizas Ruiz. Various aspects of trade relations between the two countries were discussed at the meeting.

SUBSCRIPTION INFORMATION

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